

PUBLIC SCHOOL CHOICE IN VERMONT

*A Report
to the Vermont General Assembly
by the
State Board of Education
in response to Section 121 of Act 71
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INTRODUCTION

To support its intent to institute a statewide program of public school choice in grades 9-12 by the year 2000-2001, the General Assembly has asked the State Board of Education to work with interested groups and individuals to produce implementation plans for consideration by future legislatures and policy makers. Legislators have acknowledged a number of "complexities" to be addressed, and stated a number of "policies" to be considered as this work proceeds.

The following policy priorities, set forth in Act 71, have guided us as we have prepared this working paper:

- The General Assembly has asked us to focus on public school choice in grades 9-12. A public school is one "for which the governing board is publicly elected."
- The General Assembly has stated as a preference that the "shift from the current system to a statewide public school choice system should begin with incentives for exchange programs and intensive study of methods to remove any barriers to the implementation of a public school choice system...." We have begun to address this directive by considering the differences between competitive and noncompetitive choice models, and we intend, through further discussion of those differences as this report is more widely distributed, to encourage a wider discussion of collaborative as well as competitive models of school choice.
- The legislature has stated as a matter of policy that "a sending school district board may restrict the number of students who enroll outside the district to....five percent of the students enrolled in the school in the previous year." We have used this measure in our consideration of the potential impact of an interdistrict choice program on schools of various sizes.

The complexities noted by the General Assembly are treated as issues and options addressed in this report. We have surveyed recent, relevant research, and we have contacted several states that currently operate public school interdistrict choice programs to learn from their experiences. We include recommendations at the end of this report.

ISSUE 1

Should a Vermont system of interdistrict public school choice be based on market forces, or should such a program provide insulation from competition?

Although we do not believe that it is necessary to answer this question by committing entirely to a competitive or noncompetitive system, we do believe that this is a threshold question. Careful consideration should be given to the place on a competitive vs. noncompetitive continuum that a Vermont choice system will occupy.

The competitive/noncompetitive continuum is well understood by most observers of school choice. Some argue that school choice will create a climate where schools will either succeed or lose students (and funds) to better schools, and that the resulting pressures will bring improvements to all schools. Others believe that competition among public schools would be a distraction, and would impede student learning by forcing educators to channel limited resources into public relations activities rather than better learning opportunities for students. Our research indicates that national experience with school choice has not yet yielded sufficient evidence to determine with certainty which of these arguments has more merit.

Economists have questioned whether school choice programs with relatively low participation rates can provide sufficient market incentives to force changes in schools that experience declining enrollments. For example, one economic researcher has noted that "(E)vidence from statewide choice programs in Minnesota and Massachusetts....suggests that relatively few parents (as few as 5%) actually take advantage of their right to choose. This may be too small a percentage to stimulate the response from schools that choice advocates anticipate."

Noting that low participation rates make "...hard evidence about...various proposals difficult to obtain," the same economist cautions that "...the economic evaluation of choice plans is inevitably uncertain and speculative.

Other economists and educational researchers have argued strongly for a more competitive model. For over 50 years, some economists have argued that exposure to market forces would provide healthy incentives for public schools to experiment and improve. Given the remaining uncertainties about the impact of open competition on students in schools which, for a variety of reasons, may be unable or unwilling to devote resources to market place activities, we believe that the following options for limiting the possibly negative impacts of competition should be considered in Vermont.

Option 1: Eliminate Some Potentially Negative Impacts of Competition

Rutland County high schools have entered into a collaborative choice program. The program began with a one- year planning period devoted to designing an interdistrict choice program for the county. Although participation in the program was made optional, all high schools in the county are participating in the 1998-1999 school year.

There are two parts of the Rutland model that operate to reduce the "punishing" educational and financial effects on schools that lose more students than they gain

through choice transfers. The first was agreed to in the design stage. By determining at the outset to design and implement a regional program, the Rutland County model will, we believe, promote opportunities for districts to develop magnet programs based on the strengths of individual schools and the needs of students in the region. One Rutland County superintendent, for example, has suggested that county high schools might soon identify programs in the arts, commerce, humanities or vocational technology that would become specialties for those schools and provide true options for the county's students.

Regional development of choice programs could be encouraged by state action. The state could provide technical assistance and/or planning grants to assist regions in the development of choice collaboratives. The state could determine regions, but might better allow school districts to align with each other based on needs perceived in various geographic areas. School districts that choose not to join regional choice collaborations could be allowed to opt out of choice programs, or could be required to participate in a state open enrollment system without limits.

The second feature of the Rutland model that acts to reduce the potentially negative impacts of a highly competitive model is financial. The Rutland model does not require schools that lose students through choice transfers to lose state funds. Resident districts keep block grant funds for transferring students by maintaining them on their rolls for purposes of computing average daily membership, or ADM. Other measures could be taken to limit the economic impact of student loss through transfer. Such measures include the use of funds, similar to the present small schools grants, to compensate schools that show loss of economies of scale due to transfers. This may be particularly important if districts are allowed to limit enrollment on the basis of building or program capacity, and will be discussed later. If funds follow a student to a classroom with vacant seats, a "windfall" accrues to the receiving district, while the sending school district may suffer an unfair loss.

The financial impact of transfers due to choice is difficult to predict. Appendix A shows the potential impact on Vermont high schools assuming a transfer limit of 5% per year and a loss of block grant funds of \$5000 per student. Of course, some schools will gain more students than they lose, and the net gain or loss in all schools could vary considerably from year to year. It is important to consider whether and how to compensate for financial loss when designing a statewide system of choice, however, if the state accepts the premise that it would not be a desirable outcome of choice to weaken the very schools that may need the most help to compete effectively for students.

Option 2: A State Supported Information Clearinghouse

Another concern in a competitive model is the need for participating schools to focus on marketing in order to attract or keep students. The development of annual school reports, required by Act 60, is already yielding valuable information about individual schools. The continued refinement of Vermont's Condition of Education Report further enhances the potential for parents and students to be informed consumers in a choice environment. In Massachusetts, the state has reduced the need for individual schools to produce marketing materials by serving as a clearinghouse for school information. Parents or

students interested in utilizing the choice option can obtain information about schools through the clearinghouse, reducing the need for individual schools to devote resources to this function. It might even be desirable to limit individual school promotional activities and make a state clearinghouse the primary, if not sole, source of information about schools.

Option 3: Technical Assistance and Planning Grants

If schools are to be the suppliers of information for consumers, there remains the potential for larger or more affluent school districts to generate interest in their programs through more sophisticated or expensive promotional activities. Compensation for disadvantaged schools could be provided in this instance by state-sponsored technical assistance or planning grants. Priority in such a program could be given to small schools or schools losing larger proportions of students through choice transfers. The importance of schools communicating effectively with their customers is emphasized in research that indicates that families of disadvantaged students may not respond to traditional marketing techniques, and are not as knowledgeable about the opportunities for choice as their middle- and upper-income counterparts. The result can be disproportionately high numbers of at risk students being "left behind" when market forces take hold.

ISSUE 2

Funding for Regular Education Students

Given the range of actual per pupil costs in Vermont high schools, the question of how to fund transferring students will not be easily resolved. Appendix A indicates that in 1997 the range in net cost per pupil in Vermont high schools was from a low at BFA Fairfax of \$3,807 to a high at Stowe Middle/High School of \$9,332. While it is likely that this range will be compressed as Act 60 takes effect, the degree to which this will happen remains to be seen. Several options for funding transfer students are found in existing choice programs.

Option 1: No Transfer of Funds

As already noted, the Rutland model does not require the transfer of funds between sending and receiving districts. In Rutland County, resident school districts count transferring students on their rolls for ADM purposes and the receiving districts provide programs on a tuition free basis. The 1997 range of net costs per pupil in Rutland County was significant--from \$4,662 in Poultney to \$7,003 at Otter Valley U.H.S.--but it was not as wide as the range in the state as a whole. It is doubtful that a larger number of transferring students from a larger sampling of high schools with wider margins in per pupil costs, could sustain a system like the one in place in Rutland County. If the interdistrict system allows school districts to participate in market areas of their own choosing, cost differences could be considered as choice collaboratives are formed.

Option 2: State Aid Follows Transferring Students

Minnesota and Nebraska have developed choice systems whereby state aid follows a transferring student to the district of choice, but no tuition is charged to the sending

district or the student's family. In Minnesota, resident districts sometimes pay tuition to receiving districts, but they usually do so only in cases involving part-time students. In general, Minnesota and Nebraska receiving districts include choice students in ADM counts, and sending districts take those students off their ADM rolls, losing state aid as they would when a student leaves the district through a change in residency. Receiving districts gain state aid as they would when a new student enrolls.

Option 3: Tuition Based Systems

In Iowa, a sending district keeps the transferring student on its ADM roles, but is charged tuition by the receiving district. The sending district is somewhat protected from variations in tuition levels under the Iowa system by a state-imposed cap on tuition equal to the state average tuition rate. In 1992, prior to the enactment of Act 60, the Vermont Business Roundtable proposed a similar tuition based system for Vermont.

In Massachusetts, a sending district pays tuition in an amount equal to 75% of the receiving district's per pupil cost or \$5000, whichever was less. Payments are not made directly by districts, however, as the total amount of choice tuition due from a sending district is deducted from the district's state aid payment and deposited into a school choice trust fund. The fund then disburses tuition payments to receiving districts.

Although we know of no examples, certainly other tuition based options could be designed. Sending districts could be required to pay the full tuition rate charged by a receiving district, or parents could be required to pay the difference between the resident district's cost per pupil and the receiving district's higher cost per pupil. The former option punishes lower spending districts if they lose students to higher spending districts. The latter would place lower income parents at a disadvantage in the choice market place.

ISSUE 3

Funding of Special Education Students

A student eligible for special education services is entitled by federal and state law to a free, appropriate public education, and his or her resident school district is required to provide that education in accord with locally determined individual education plans, or IEP's. State and federal funds supplement local funds in order to provide programs for eligible students. Questions of funding, program responsibility, legal liability, and transportation are intertwined when special education students elect to participate in interdistrict choice programs.

Option 1: Transfer of LEA Responsibility

We believe that Nebraska is the only state to address special education funding issues in its choice program by transferring the full legal and financial responsibility for those students to the receiving district. In Nebraska, state and federal aid follows the choice student to the receiving district, and the receiving district is responsible for any excess costs not covered by state or federal funds. Nebraska makes the receiving district responsible for providing a free and appropriate education (FAPE) for the transferring

student, and the choice district assumes all of the legal responsibilities of a resident school district for special education purposes. It is important to note that Nebraska provides approximately 90% of all special education costs for all districts, so the exposure of receiving districts for excess costs is relatively small.

Option 2: Shared Responsibility for Program and Costs

In Minnesota, the receiving district assumes responsibility for a transferring student's special education program, and state and federal aid follows the student to the choice district. Excess costs are billed by the choice district to the resident district. The resident district retains the right to participate in the development of a student's IEP, and may attend any IEP meetings in the choice district. The rationale for the bill back system is that a choice district must accept special education students on a non-discriminatory basis, and therefore should be able to recover the actual cost of providing programs for those students.

Our contacts in Minnesota indicate that receiving districts are not inclined to provide more expansive programs for non-resident students than they provide for resident students (and simply bill resident districts for excess costs) because they recognize the need to be fair to their own residents and taxpayers. Research on the Minnesota program points to a different dynamic, however. Special education costs in "high-loss" districts in Minnesota are "significantly higher" than in "high gain" districts, even though the percentage of special education students in the two sets of districts do not vary significantly.

The Minnesota model leaves certain ambiguities in the area of program responsibility. Since the state has not acted to transfer responsibility for providing a FAPE to nonresident districts, resident and nonresident districts share responsibility for complying with federal and state special education laws and regulations in Minnesota. Both districts are therefore exposed to legal proceedings brought by dissatisfied students or their parents.

The Rutland County program of interdistrict choice extends its revenue neutral regular education philosophy to special education students, and shares certain characteristics with the systems utilized in the states of Iowa and South Dakota. In Rutland, choice students who qualify for special education services are served by the school of choice, but their program is designed in collaboration with their home district. The resident district receives aid for the special education student as though that student had not transferred to a choice school. The resident district is responsible for excess costs associated with special education students enrolled in a school in another district. Iowa and South Dakota operate similarly, although both states allow the resident district to deny transfer to a special education student when the district concludes that an appropriate program for the student is not available in the choice district.

Option 3: Parents Pay Excess Costs

Although we have not found an example of this model, no doubt due to the obvious burden it would place on some families wishing to exercise choice, a third funding option

does exist. Responsibility for writing the student's IEP would remain in the home district. When a student transfers to a choice district, the home district could then be required to pay an amount equal to its own cost of providing the program, and the parent of the student could be held responsible for excess costs.

This is somewhat analogous to the funding mechanism now in place in Vermont for students who reside in non-operating school districts. Under State Board of Education Rule 2367.1(2), a parent in a non-operating school district assumes responsibility for excess costs when the student chooses a placement other than the IEP placement offered by the non-operating district. It is important to note, however, that the present system for non-operating districts has been designed in order to provide schools for children living in towns without schools. A statewide public school choice system would be designed for a different purpose--to provide choice to students generally. It might be difficult to justify a requirement that certain parents bear a potentially significantly financial burden--one that other parents are not required to assume--in order to participate in a choice program.

ISSUE 4

Responsibility for Free and Appropriate Public Education

Even when funding intricacies are resolved, issues related to the responsibility for providing a free, appropriate public education, and for fulfilling the due process and substantive obligations of federal and state special education law, remain. Unless a state acts to transfer these obligations to non-resident districts, a student's resident district remains responsible regardless of where the student attends school. Federal law does allow a state to transfer FAPE responsibilities, and Nebraska is the current example of a state that has taken this step. If responsibility is not transferred by the state, four options appear to be available.

Option 1: Home District Responsibility for FAPE

The Rutland model maintains resident local education agency (LEA) responsibility for the management and oversight of eligible students' IEPs. Receiving districts are responsible for hiring and supervising the personnel who provide IEP services. This model is logical in a small pilot program such as the one currently being undertaken in Rutland County. It leaves unclear, however, the question of ultimate responsibility for the due process and substantive provisions of special education law. It appears to assume shared responsibility for the student's program, while the resident district remains responsible for the student's due process rights.

Option 2: Shared Responsibility

In Minnesota, the procedural and substantive obligations of special education are also shared by sending and receiving districts when a student exercises choice. The student's new district, the choice district, becomes responsible for carrying out the IEP, and may alter the provisions of the IEP so long as the appropriate process is used. The choice district "...is responsible for holding a team staffing as soon as the student arrives to review the student's assessment information and appropriateness of the IEP." The sending

district is entitled to attend IEP meetings in the receiving district (it will be obligated to pay excess costs) and the choice district usually begins with a new special education student by accepting the IEP in place from the resident district.

This option lacks clarity with regard to the sending district's ability to influence IEP decisions in the receiving district. Our several contacts in Minnesota indicate that this question has not been tested in that state, but that the presumption is that a sending district would not be able to veto an IEP provision in a choice district, since to do so would undermine the student's ultimate right to choose. Our contacts further indicate that some Minnesota districts have been vigilant about attending IEP meetings in choice districts, and some have not. Limited research in Minnesota indicates that those districts that have been vigilant have not complained of inappropriate IEP decisions.

Option 3: Greater Resident LEA Control

The resident district retains somewhat more control over the choice process in the case of special education students in South Dakota. In that state, resident districts remain solely responsible for complying with FAPE requirements. Transfers of special education students are allowed only when the sending and receiving districts agree that an appropriate program can be provided in the choice district. South Dakota law requires that both districts be represented on IEP teams.

Option 4: Resident District Controls Transfer, Shares Responsibility After Transfer With Receiving District

The resident district has even more initial control in Iowa, although some of that control is lost when a transfer through choice takes place. An Iowa resident district determines unilaterally whether a receiving district can provide an appropriate program, and may deny transfer when not satisfied. Once a transfer is allowed, Iowa State Board of Education rules require that the resident district be notified of any IEP meetings in the choice district. It therefore appears that under this model the responsibility for providing a FAPE is shared after the transfer takes place.

ISSUE 5

District Participation, Regular Education Students

Various approaches have been taken to the question of whether districts should be required to participate as sending and/or receiving districts in interdistrict choice programs. The options below apply to regular education students.

Option 1: Optional Participation

Although participation in the Rutland County pilot program is optional, all county high schools have now decided to participate. The operating agreement between Rutland County schools limits the net maximum loss or gain of students to ten students per school in the 1998-1999 school year. Participating schools are allowed to exceed the limit, but

are not required to do so. The decision to participate is made by the governing school board of each school.

Option 2: Receiving Participation Optional

Participation in the Massachusetts interdistrict choice program as a receiving school district is optional. The participation decision is made at the school board level. If a Massachusetts district does not completely opt out of the choice program, it must file capacity reports with the state Department of Education, and must accept nonresident students in accord with the available spaces reported. Our Massachusetts contacts tell us that the number of participating school districts has been stable, although more and more Massachusetts schools are now filled to capacity. Of the 330 school districts in Massachusetts, 119 will participate in the interdistrict choice program in 1998-1999.

Option 3: Sending Participation Mandatory

In Minnesota and Nebraska (as well as in the 1992 Vermont Business Roundtable proposal), participation as a sending school district is mandatory. However, school districts are allowed to define "capacity" to receive students through school board policy. State law limits capacity definitions to certain areas, such as class or program size, building capacity, or grade or level capacity.

Option 4: Sending Participation Optional

In New Hampshire, participation as a sending school district is optional. Decisions to participate are made at school district meetings, and a state statute prescribes the warning language to be used when voting as a district. A New Hampshire district may vote to send less than 100% of its students to its resident school, leaving the remaining percentage with the option to transfer. The ramifications of this vote appear to be unclear. Our contacts in New Hampshire tell us that the "assumption" is that a district voting to allow a certain percentage of students to transfer would be obligated to pay tuition to selected districts, but this question has apparently not been tested. The provision was originally put in place to handle situations where schools might be in danger of losing regional or national accreditation.

Option 5: Defined Participation Limits

State laws may make participation in interdistrict choice programs mandatory for all school districts except in the case of small numbers of defined groups of students. For example, in Iowa a receiving school is not required to accept a student who has been expelled or suspended, and has not been reinstated, by his or her resident district. School boards in Iowa are also allowed to define "capacity" of buildings, programs or classes, as in Minnesota and Nebraska. Several states allow districts to decline transfer requests when the result would interfere with desegregation efforts.

ISSUE 6

District Participation Requirements for Special Education Students

Because the program needs and associated costs of educating handicapped students can be burdensome, it might be desirable to have different participation requirements for special needs students. All states with interdistrict choice programs prohibit discrimination on the basis of handicap. Nevertheless, the following options are possible when implementing choice programs for special education students.

Option 1: Program Availability

Neither Minnesota nor Nebraska allows discrimination on the basis of handicap. However, both states allow receiving districts to reject a transfer application when the transfer would require the district to establish a program not currently available for students in the district. Once enrolled, a special education student in Minnesota or Nebraska must receive special education programs on the same basis as resident students. This means that a district would be required to establish a program for a nonresident student if the need for such a program was determined after the student had enrolled. The experience in Minnesota has been that parents of handicapped students have little interest in exercising choice when receiving districts do not have programs to fit the needs of their children. There have been some instances in Minnesota, however, where receiving districts have sought the records of applying students in order to determine whether they might be required to furnish special education programs in the future. These requests have been denied on the grounds that student records do not become available to a school district prior to enrollment.

Option 2: Transfer By Agreement Only

In Iowa and South Dakota, transfer of special education students through the interdistrict choice programs is allowed only when the resident district determines, or when both the resident and choice districts agree, that an appropriate program is available in the choice district. This option does not preclude a ban on discrimination based on handicap. Rather, it assumes that districts must participate as sending and receiving districts in instances involving special education students generally, but may limit participation when appropriate programs are not available in choice districts.

ISSUE 7

Transportation: Regular Education Students

In Vermont, the lack of transportation options could make access to choice difficult for some students, particularly in sparsely settled parts of the state. Some interdistrict choice programs leave transportation up to students and parents. Others provide various types of assistance to families who would find transporting a student to and from a school in another district difficult.

Option 1: Transportation provided from pick up point

In Minnesota, parents of students who travel across district lines to attend a choice school are responsible for transporting their children to a pick up point in the receiving district. The receiving district must provide transportation between the school and pick up point. Technically, the Minnesota requirement would make a receiving district transport a choice student even if its buses were currently full to capacity.

Our discussions with people in Minnesota indicate that transportation has been a "confusing element" in the state's program, but even in rural areas, most parents provide transportation to choice schools without relying on the receiving district's resources. Some choice districts in Minnesota provide bus service to students in neighboring districts by extending their bus routes into those districts.

Option 2: Parent Responsible, State Assistance Provided to Qualifying Families

In Nebraska and Massachusetts, parents are responsible for transporting students to choice schools. Parents who qualify, however, may be reimbursed by the state for at least some of the costs associated with this responsibility. Qualifications are tied to eligibility for free or reduced price lunches. Massachusetts provides reimbursement for transportation provided by school districts, parents or public transportation. Minnesota requires that school districts inform parents about the availability of state funds to reimburse qualifying low income families for transportation expenditures.

Option 3: Parents Responsible, No Aid Available

South Dakota makes the parents responsible for transportation and does not provide aid to support parents for whom this presents a hardship.

Option 4: Resident District Provides Transportation or Aid to Qualifying Families

Iowa has chosen to require resident districts to transport choice students to bus stops in contiguous districts or give aid to qualifying families to help them provide their own transportation to neighboring bus stops. Choice districts are responsible for transporting students between bus stops and schools.

Option 5: Fees Charged By Transporting District

Nebraska allows receiving districts to provide transportation for choice students and to charge fees to parents for this service. Parents are not required to utilize the transportation offered by the choice district, but if they do not, they are responsible for their own child's transportation, and, as stated above, are eligible for reimbursement.

ISSUE 8

Transportation of Special Education Students

In certain cases, transportation may be an essential element of a special education student's program. When transportation is part of a student's IEP, it becomes a "related service," and must be provided by the district responsible for providing a free and appropriate education.

Transportation costs for some handicapped students can be high, as special vehicles or special schedules may be required to meet a student's program needs. Special education students who do not require transportation in order to fulfill the educational requirements of their individual education plans, are entitled only to transportation on the same basis as other students.

Option 1: Transportation as Excess Cost

We are aware of only one option currently applied when transportation is a related service in a student's special education IEP. In all the states we have researched, when transportation is a related service, it is treated as an excess cost, and is funded by the resident district. This generally means that the resident district is billed for transportation services by the choice district. Districts may collaborate to provide transportation, but the responsibility rests with the district ultimately responsible for providing IEP services. Our contacts in other states indicate that they have rarely, if ever, heard of instances where transportation provides a barrier to participation in a choice program for a special education student. The anecdotal evidence is that most special education students who exercise choice options do not require transportation as a related service.

ISSUE 9

Application and Enrollment Procedures

In order for transfers from resident to choice districts to be made smoothly, deadlines for notices, application processing, and enrollment procedures must be clear and consistent. There are two basic approaches to this set of issues.

Option 1: Procedures Established by State

In South Dakota and Nebraska state statutes set forth the dates for annual notice by school districts to parents of the availability of choice, deadlines for applications by parents and acceptance or rejection of applications by sending and receiving districts. The state established deadlines attempt to coincide with planning needs in schools, so they generally require that the application process be completed at the same time that resident students are planning programs for the next school year. Children of parents who do not meet the deadlines for filing applications may be denied admission on procedural grounds. Appeals to the Commissioner of Education are available when applications are denied, and deadlines may be waived by agreement.

Option 2: State Guidelines, Local Deadlines and Procedures

In 1996, the Vermont Senate passed version of H.351 established guidelines for enrollment procedures and required school districts to establish local procedures to implement the guidelines. H.351 as passed by the Senate would, for example, require districts to accept applications through January 1 and provide notice to parents of acceptance or rejection of the application by February 1 of the year preceding the enrollment request.

ISSUE 10

Credits, Grades and Graduation in Choice Districts

Schools normally retain discretion in accepting grades and credits from schools previously attended by transfer students. In their efforts to eliminate uncertainties, most states have adopted statewide rules about the transferability of choice students' grades and credits, and the obligations of schools to allow choice students to remain in the choice school until graduation.

Option 1:

Limit on Additional Transfers

Nebraska, for example, requires choice students to remain in the choice school for at least one year. A choice student may return to his or her home district during the choice year if the home district agrees, or at the end of a choice year if he or she notifies his or her resident school district by January 1 of the choice year. Nebraska also provides that, in most cases, the choice option may be made only once prior to graduation.

Option 2: Credit Acceptance, Graduation and Discipline

South Dakota requires a receiving school to accept the credits and grades of a student who is transferring from an accredited school. South Dakota requires the receiving school to award a diploma to any choice student who fulfills graduation requirements. South Dakota does allow a receiving school to terminate a choice student's attendance through expulsion proceedings.

Option 3: Local Discretion

A third solution to this set of issues would be to allow the same local discretion to school districts receiving choice students as they are allowed when receiving transfer students. This would enable a school to determine, for example, how many credits toward graduation to accept from a choice student based on that student's transcript from the sending school.

ISSUE 11

Enrollment Limits or Preferences

Although we have not found models in other states, interdistrict choice programs do raise questions about the extent to which states should set limits on the enrollment of categories of students. Several states do allow or require that enrollment preference be given to siblings of students already enrolled under a choice plan. Limits or enrollment guidelines could be used to further state priorities or to limit complications brought about by the need to transport students over long distances.

Option 1: State Determined Geographic Limits

There are at least three options for defining the geographic limits available in an interdistrict choice program. First, a state could define participation by county or region. This limitation would promote cooperation within regions and reduce transportation barriers. Second, the state could limit participation to contiguous districts. There would necessarily be overlap under a system involving contiguous districts, and a given student's options would be limited to neighboring districts, but the potential benefits would be similar to those attached to a system of choice defined by county or region. A third option would be to allow (or require) interdistrict agreements to define enrollment areas. Students would then be limited to participation in the area defined by the agreements made by his or her resident school district. If a school district opted not to enter into interdistrict agreements, the state could stipulate that residents of that district be allowed to choose on a statewide open enrollment basis.

Option 2: Magnets

State policy could permit schools to limit nonresident student enrollment to defined areas of specialty. This policy would encourage the development of "magnets," established by school districts to emphasize programs in the arts, special needs, or specific subject areas such as science and technology, business or the humanities. Magnets could be available to defined enrollment areas, or could be established to accept students from any part of the state.

Option 3: Capacity Limitations

As previously indicated, states that permit interdistrict choice usually allow local school districts to define "capacity," and to refuse enrollment of nonresidents when capacity is reached. The state does not define geographic or programmatic criteria, but does allow locally-determined limits based on capacity. The capacity definitions allowed locally can be limited to certain areas, such as building capacity, program capacity, or grade or level capacity. Minnesota now allows school districts to adopt board resolutions limiting the enrollment of nonresident students in schools or programs to a number not less than the lesser of one percent of the total enrollment at each grade level or the number of district residents at each grade level enrolled in a non resident district.

ISSUE 12

Expansion of Choice to Grades K-8

The choice programs we have researched include grades K-12. In Minnesota, preschool students are included. In Vermont, as in other rural states, transportation problems would be exacerbated by including younger students in an interdistrict choice system. Younger students are not able to transport themselves, and are more apt to need supervision when transferring at bus stops. Because of the large number of small elementary schools in Vermont, it is impossible to generalize about programmatic impacts on elementary schools. Data on the capacity of individual Vermont elementary schools to accept nonresident students is not available, but capacity certainly will vary

not only from school to school, but from classroom to classroom. The options are clear: wait until more is learned about interdistrict choice by implementing a grade 9-12 program, or proceed to make the choice option available to all students in grades K-12.

RECOMMENDATIONS

1. Regional Choice Collaboration

The State Board recommends that regional high school choice collaborations be established during a transition period of three to four years beginning immediately. The goals of the transition period are to firmly establish opportunities for choice in regions throughout the state, to study the effects of choice on small schools, and to encourage creative approaches to the provision of special education and transportation services. During the transition period, data must be collected on students who apply to participate in interdistrict choice programs as well as those who, through lotteries or other means of selection, are actually chosen to participate in choice programs. School districts should be encouraged to accommodate families who are able to arrange individual student exchanges with families in other school districts. The State Board notes that the Rutland model of regional collaboration is currently being studied in other regions. Superintendents in the Winooski Valley region are recommending the adoption of a choice collaboration to the eighteen school boards governing high schools in the region. Similar discussions are beginning in other regions of the state.

2. Regular Education Funding

The State Board of Education recommends that the Legislature adopt an ADM based system to support regular education students enrolled in public high schools through interdistrict choice at the end of the transition period. An ADM system would require a transfer of all or a portion of the per pupil block grant from a district of residence to a district attended by a student exercising choice. The State Board notes that the equalizing effects of Act 60 will not be felt in all districts for several years. It will be essential to accurately predict the effects of block grant transfers, as the loss of even five to ten students from a small school could have significant impacts on that school's ability to maintain programs.

3. Special Education Funding

The State Board of Education recommends that resident school districts be made responsible for paying excess special education costs (those costs not reimbursed or paid through state or federal funds) for students who participate in an interdistrict public school choice program. State law should require the participation of resident school districts in special education IEP meetings in receiving districts. During the period of transition to regional choice collaborations, administrative costs and burdens associated with having both the residential and the choice district involved in IEP planning should be documented.

4. Responsibility for Free and Appropriate Education (FAPE)

The State Board of Education recommends that the procedural and substantive obligations of special education be shared by sending and receiving districts when a student exercises choice. The receiving district should be responsible for carrying out an eligible student's IEP, and should have the option of altering an IEP so long as procedures required by state and federal laws and

regulations are followed. Sending districts must be given notice of IEP meetings in receiving districts, and must be given opportunities to attend and participate in those meetings.

5. Transportation

During the transition period, the state should establish a clearinghouse for transportation information on car pools, regional transportation options, pick up points or other means of transportation available to help families who want to participate in regional high school choice or exchange programs. The State Board of Education recommends that, after the transition period, receiving school districts that provide transportation for resident students should be made responsible for transporting choice students to and from pick up points in the district. The Board further recommends that the Legislature determine criteria for providing transportation assistance to eligible families who may otherwise be unable to transport children to pick up points in neighboring districts.

6. Effects of Public School Choice on Present Tuition System for Non-operating Districts

The State Board of Education recommends that the options now available to families residing in non-operating school districts be maintained.

APPENDIX A

School Name	9-12 Enroll	Net Cost per Pupil '97*	Estimated Expenditures (based on Net Cost per Pupil '97)	Student Loss (5%)	Estimated Maximum Loss (based on \$5,000 per Pupil)	Median Class Size '98	Teacher/ Student Ratio'98
Concord Schools	84	\$6,569	\$551,796	4	\$20,000	16	11
Craftsbury Schools	87	\$7,614	\$662,418	4	\$20,000	12	10.3
Rochester Elem/High School	94	\$7,455	\$700,770	5	\$25,000	13	13.7
Cabot School	99	\$7,867	\$778,833	5	\$25,000	20	11
Canaan Schools	117	\$6,021	\$704,457	6	\$30,000	15	14
Whitingham School	117	\$7,228	\$845,676	6	\$30,000	13	12.7
Whitcomb Junior-Senior High	128	\$6,473	\$828,544	6	\$30,000	14	13.5
West Rutland School	132	\$5,519	\$728,508	7	\$35,000	16	13
Blue Mountain Union School	138	\$5,276	\$728,088	7	\$35,000	13	12.4
Proctor Junior-Senior High	154	\$6,567	\$1,011,318	8	\$40,000	12	11.6
Danville Schools	160	\$6,186	\$989,760	8	\$40,000	17	14
Chelsea Elementary High	161	\$5,397	\$868,917	8	\$40,000	20	12.1
Twinfield USD #33	165	\$5,987	\$987,855	8	\$40,000	14	14.7
Black River USD #39	171	\$6,749	\$1,154,079	9	\$45,000	12.9	
Wilmington Middle High	184	\$6,727	\$1,237,768	9	\$45,000	13	13.3
Williamstown Middle/ High	188	\$4,482	\$842,616	9	\$45,000	19	13.5
Richford Jr/Sr High School	190	\$6,276	\$1,192,440	10	\$50,000	15	11.7
South Royalton Elem/High	192	\$5,781	\$1,109,952	10	\$50,000	15	14.2
Arlington Memorial	196	\$5,973	\$1,170,708	10	\$50,000	13.3	
Stowe Middle/High School	216	\$9,332	\$2,015,712	11	\$55,000	11.5	10.7
Winooski High School	219	\$6,417	\$1,405,323	11	\$55,000	13.8	
Thetford Academy	244	\$7,200	\$1,756,800	12	\$60,000	10	12.6
Poultney High School	257	\$4,662	\$1,198,134	13	\$65,000	15	14.3
Hazen UHSD #26	261	\$6,426	\$1,677,186	13	\$65,000	15	11.6
Leland & Gray UHSD #34	270	\$6,359	\$1,716,930	14	\$70,000	18	10.8
Green Mountain UHSD #35	291	\$6,317	\$1,838,247	15	\$75,000	17	12.4
Windsor High School	298	\$7,434	\$2,215,332	15	\$75,000	18	14.8
Northfield Middle/High School	305	\$6,216	\$1,895,880	15	\$75,000	20	13.5
Bellows Free Academy	358	\$3,807	\$1,362,906	18	\$90,000	15	14.6
Peoples Academy	363	\$4,973	\$1,805,199	18	\$90,000	18	14.8
Vergennes UHSD #5	380	\$6,826	\$2,593,880	19	\$95,000	18	12.6
Enosburg Jr/Sr High School	407	\$5,704	\$2,321,528	20	\$100,000	18	12.4
Oxbow UHSD #30	412	\$5,737	\$2,363,644	21	\$105,000	16	11.4
Randolph UHSD #2	426	\$6,445	\$2,745,570	21	\$105,000	18	15.1

*Note: "Average Announced Tuition - 99" was used where "Net Cost per Pupil 97" was not available for the following independent high schools: Bellows Free Academy, Burr & Burton, Lyndon Institute, St. Johnsbury Academy and Thetford Academy.

School Name	9-12 Enroll	Net Cost per Pupil '97*	Estimated Expenditures (based on Net Cost per Pupil '97)	Student Loss (5%)	Estimated Maximum Loss (based on \$5,000 per Pupil)	Median Class Size '98	Teacher/ Student Ratio '98
Burr & Burton	430	\$7,800	\$3,354,000	22	\$110,000	15	9.6
Montpelier High School	437	\$6,304	\$2,754,848	22	\$110,000	17	11.7
Lake Region UHSD #24	449	\$6,404	\$2,875,396	22	\$110,000	14	
Bellows Falls UHSD #27	467	\$7,404	\$3,457,668	23	\$115,000	15	14.1
Woodstock Sr. UHSD #4	491	\$6,785	\$3,331,435	25	\$125,000	19	11.4
Mill River USD #40	511	\$5,283	\$2,699,613	26	\$130,000	17	14.4
Otter Valley UHSD #8	528	\$7,003	\$3,697,584	26	\$130,000	17	12.9
Lamoille UHSD #18	536	\$5,215	\$2,795,240	27	\$135,000	20	11.7
Harwood UHSD #19	550	\$6,230	\$3,426,500	28	\$140,000	19	12.6
Mount Abraham UHSD #28	558	\$5,220	\$2,912,760	28	\$140,000	20	12.9
U-32 High School (UHSD)	578	\$5,760	\$3,329,280	29	\$145,000	30.5	12.9
Springfield High School	607	\$5,679	\$3,447,153	30	\$150,000	22	12.1
Fair Haven UHSD #16	608	\$5,934	\$3,607,872	30	\$150,000	16	14.9
Lyndon Institute	613	\$7,583	\$4,648,379	31	\$155,000	14	11.1
Hartford High School	705	\$7,374	\$5,198,670	35	\$175,000	18	16.2
Colchester High School	742	\$4,301	\$3,191,342	37	\$185,000	21	16.4
Middlebury Sr. UHSD #3	766	\$6,992	\$5,355,872	38	\$190,000	15	10.9
Missisquoi Valley UHSD #7	769	\$4,759	\$3,659,671	38	\$190,000	19	13.8
South Burlington High School	827	\$8,933	\$7,387,591	41	\$205,000	17	14.4
Mt. Mansfield Union High	856	\$5,465	\$4,678,040	43	\$215,000	19	18.3
St. Johnsbury Academy	929	\$7,150	\$6,642,350	46	\$230,000	9.2	
Rutland Senior High School	948	\$6,315	\$5,986,620	47	\$235,000	23	11.1
Bellows Free Academy	971	\$7,084	\$6,878,564	49	\$245,000	21	12.4
Spaulding HSUD #41	1003	\$6,207	\$6,225,621	50	\$250,000	20	11.6
Brattleboro Sr. UHSD #6	1036	\$6,723	\$6,965,028	52	\$260,000	16	11.6
Champlain Valley UHSD #15	1076	\$6,843	\$7,363,068	54	\$270,000	20	16.3
North Country Sr UHSD #22	1085	\$4,819	\$5,228,615	54	\$270,000	27	13.5
Burlington Senior High School	1096	\$7,607	\$8,337,272	55	\$275,000	23	16.2
Mt. Anthony Sr. UHSD #14	1230	\$4,225	\$5,196,750	62	\$310,000	22	15.2
Essex Comm. Ed. Ctr. UHSD	1359	\$7,288	\$9,904,392	68	\$340,000	19	10.5

*Note: "Average Announced Tuition - 99" was used where "Net Cost per Pupil 97" was not available for the following independent high schools: Bellows Free Academy, Burr & Burton, Lyndon Institute, St. Johnsbury Academy and Thetford Academy.

APPENDIX B

Vermont Interdistrict Choice Proposals			
	Business Roundtable (1992)	Rutland County	H.351 (Senate Passed Version--1996)
Funding	(Note: Pre-Act 60) Tuition system followed whereby sending school pays own cost per pupil to receiving school if own cost is less than receiving school's; when sending school's average cost per pupil is lower than receiving school's tuition, parents not eligible for free or reduced price lunches pay difference; if tax rate of sending district is lower than state average, district pays full tuition.	Resident school maintains ADM for resident student attending choice school. No funds go with student to receiving school.	Receiving school receives tuition from sending district equal to net cost per pupil in receiving school or statewide average, whichever less. Resident district counts choice students in ADM.
SPED	State special education funds follow student to receiving school.	Resident district responsible for funding special education programs, excess costs.	Resident district responsible for funding special education programs of choice students.
Responsibility for FAPE	Not addressed	Resident district responsible for management and oversight of choice student's IEP, receiving district responsible for hiring and supervising personnel who provide IEP services.	Not specified, therefore resident district remains responsible.
Transportation	Parents responsible for transportation to nearest receiving school bus stop.	Parents responsible for providing transportation.	Not addressed. Responsibility of student or parents.
SPED	Not addressed	Provided by resident district when related service.	Not addressed. Responsibility of resident district if related service.

Admission Criteria	All schools must participate, must accept all applicants or accept fewer than all applicants on non-discriminatory basis.	Limit of 10 students per school allowed. Students selected through lottery if more than 10 seek admission to any school.	Discrimination prohibited. Each school board to develop policy on capacity to accept students. Resident districts may limit loss to 5% per year.
SPED	Admission must be granted "as room permits." Plan does not address creation of programs for handicapped students.	Handicapped students entitled to participate in choice program. Sending and receiving districts to work collaboratively on program.	Not addressed. Handicapped students eligible to participate.
Participation as sending or receiving district	Required of all public schools "up to current enrollment capacity."	All high schools in Rutland County participating. No school subject to net loss or gain of more than 10 students in 1998 school year.	Required of all schools with grades 9-12. Schools may limit participation through enactment of policies defining capacity. May limit loss to 5% per year.
Information to Parents	Schools to provide "a comprehensive mechanism for parent information." Recommends statewide clearinghouse of information for parents.	No requirements for participation in formal information program. Informational meetings for parents held in spring of 1997.	Commissioner responsible for providing information to parents on "quality and available capacity in public schools."
Transfer of Credits & Grades	Not addressed	Once enrolled, choice student guaranteed opportunity to remain at choice school until graduation.	Student may remain in choice school until graduation unless expelled.
Enrollment Rules	Not addressed	Limited to grades 9-12; sports eligibility according to receiving school's rules; selection by lottery if necessary.	Limited to grades 9-12. Schools to make own enrollment procedures consistent with minimum statewide guidelines for notice by parents and schools.

APPENDIX C

Interdistrict Choice in Four States				
	Minnesota	Nebraska	South Dakota	Iowa
Funding	State aid follows student to receiving district.	Choice students counted in receiving district ADM; state aid prorated when student transfers mid-year.	State aid follows student to choice district. Sending district loses ADM, makes no tuition payment. Receiving district counts student in ADM.	Resident district counts choice students in ADM, pays preceding year's state cost per pupil to choice district.
SPED	State aid follows student; excess costs billed to resident district by receiving district.	State special education funds go to choice district with student. Excess costs are paid by choice district. <i>Note: state funds approx. 90% of allowable SPED costs.</i>	Resident district reimburses choice district for "actual costs incurred...and related services."	Resident district pays "actual cost incurred in providing appropriate special education."
Responsibility for FAPE	Shared by sending and receiving district; choice district responsible for IEP, resident district may attend IEP meetings, approve placement and program decisions.	Receiving district responsible for FAPE. Resident district retains no responsibility for FAPE when student exercises choice option.	Resident district responsible for FAPE. Transfer allowed only when resident and choice district agree that appropriate program is available in choice district. Both districts must be represented on IEP committee.	Resident district determines whether receiving district can provide appropriate program, may deny transfer if program not available. Resident district must be notified of all IEP meetings in choice district.

Transportation	Resident district transports to border of receiving district; choice district transports to school.	Parent responsible for transportation. Reimbursement provided for students qualifying for free lunches. Choice district may agree with parent to transport, charge fee.	Parent responsible for transportation without reimbursement. Either district may provide transportation; receiving district may charge fee if transportation provided.	Parent transports to bus stop in receiving district. Resident district must provide to contiguous district or reimburse parents meeting income eligibility criteria determined by DOE.
SPED	If related service, treated as excess cost. Provided by choice district and billed to resident district.	Resident district provides transportation when related service in IEP	Resident district pays when related service.	Resident pays if related service.
Admission Criteria	Students may be denied admission in choice district on "space available" basis. Generally interpreted to apply to facilities only.	School boards required to adopt policies on acceptance or rejection of students. May define program limits, class size, facilities limits. May declare program, class or school unavailable to choice students.	School districts required to adopt standards for admission. Stds. may define capacity in terms of class size, program, grade level and school building. May not discriminate on basis of race, gender, religion. Priority given to siblings.	Receiving district must accept choice students unless classroom space not available. Boards required to adopt "insufficient classroom space" policies.
SPED	Admission may not be denied on basis of disability. Students may be denied admission when program does not exist in choice district. Districts generally develop programs, bill resident districts.	May not discriminate on basis of handicap. May define capacity limit of special education programs, reject transfer when program not available or at capacity.	May not discriminate on basis of handicap.	Enrollment may be denied if resident and receiving districts do not agree that appropriate program is available in receiving district.

Participation as sending or receiving school	Sending partic. mandatory except when space not available for individual students. District may "close" to nonresidents by school board vote.	Mandatory except when capacity to receive students is defined in board policy.	Mandatory except when capacity is defined in board policy.	Mandatory subject to classroom space limits. Suspended or expelled students may not transfer until reinstated by home district.
Information to Parents	Must make information about "schools, programs, policies & procedures available to "all interested people."	Reasons for rejection must be stated in writing, parents may appeal to State Board.	Statute requires "relevant information to interested people about programs, policies, procedures."	Districts must notify parents by advertising application deadlines, transportation assistance and possible loss of athletic eligibility.
Transfer of Credits & Grades	Nonresident districts must accept credits from sending districts, award diploma to nonresident students.	Choice student must remain in choice school until graduation or return to resident school (unless enrolled in private school or moved to new district.)	Schools required to accept credits from "any other accredited school district." Nonresident district must award diploma when graduation requirements met.	
Enrollment Rules	Application and notice deadlines set by statute. Notice of intent to enroll must be filed by March 1; obligates student to enroll in following year.	Dates for application, consideration and notice to parents determined by statute.	Dates for application, consideration and notice to parents determined by statute. Appeal process defined by statute.	Students in grades 10-12 ineligible to participate in sports for 90 days after transfer. Notification dates set by statute. Late applications allowed for "good cause," appeal allowed to commissioner from denial of application stating good cause.

APPENDIX D

Statutory Provisions Related to Public School Choice in Grades 9-12

Section 121(c)(1) of Act 71 (<http://www.leg.state.vt.us/docs/1998/acts/ACT071.HTM>) of 1998 requires a review of the statutory “impediments and recommended statutory changes necessary to authorize and implement a system of public school choice in the year 2001-2002.” This summary identifies the sections of Title 16 that will require revision if a choice program is implemented. Statutes identified and reviewed in this appendix:

Tuition	Residency	Discipline	Transportation
Technical Education	Special Education	General State Aid	Small School Support

NOTE: The following statutes can be accessed from the Vermont Statutes online Web site at <http://198.187.128.12/vermont/lpext.dll?f=templates&fn=fs-main.htm&2.0>. When you come to the site, click on the "+" sign next to "Vermont Statutes" in the frame at the left of your screen. Scroll down to the link for Title 16.

Tuition Statutes

16 V.S.A. §822. This section requires school districts to maintain one or more high schools for resident pupils or, if authorized by the electorate of the district, to pay tuition on behalf of resident students at approved high schools selected by parents. Subsection (c) allows school boards to both maintain a high school and pay tuition for pupils to attend approved schools elsewhere when, “in the judgment of the board..” the pupil’s interests can be “best served” by such an arrangement. The board’s discretion in this matter would be limited under a choice program.

16 V.S.A. §824. This section governs the amount of tuition that is paid by resident districts on behalf of high school students. It also provides for credits or reimbursements in cases of tuition overcharges or undercharges. A choice system with a tuition component different from the existing system would require revision of this section.

16 V.S.A. §825. Tuition rates are calculated in accord with this section. This section would require review if a choice system were to be funded through tuition charges or other assessment mechanisms.

16 V.S.A. §826. This section allows receiving districts to charge excess special education costs to sending districts. It also requires that notice of tuition increases be announced by February 1st of the year preceding the implementation of the increase. Both the notice date and the provision for dealing with excess special education costs could be altered under a choice plan.

16 V.S.A. §827. This section allows the electorate of a non-operating school district to designate an independent school as the receiving high school for its resident pupils. Once designation is accepted, the non-operating school district is obligated to send students to that school only. Section 827 does allow a school board to pay tuition for a pupil to attend a school other than the designated school when the board finds that such an arrangement would

“best serve the interests” of that pupil. This section will require revision if a public school choice system is designed to apply to students in non-operating districts.

Independent schools. The choice program anticipated by the Legislature in Act 71 is limited to public schools. If schools participating in a choice program include independent schools or the quasi-public academies, the sections discussed above would require further revision to establish, for example, the funding mechanism for students attending those schools through the choice program.

Residency Statutes

16 V.S.A. §1075. This is the statute that defines residency for school attendance purposes. There would probably be no need to change the residency definition under a public school choice system. This section does raise the question of how a student whose parents live separately would be treated if numerical caps limited the number of students eligible to transfer from a school in one parent’s district of residence to a school in another parent’s district of residence.

Subsections (c) and (e) of this section govern the residency of state-placed and homeless students. These subsections would require review if a choice system were to be implemented. Presumably, these sections would be changed to make clear that these students are eligible to exercise choice on the same basis as other students.

16 V.S.A. §1093. This section allows school boards to receive nonresident students “under such terms and conditions as it deems best...” Implementation of any interdistrict choice system would require revision of this section. The question of whether receiving schools could refuse to accept choice students who have been suspended or expelled by their resident district would be addressed through revisions to this section. The broader question of the extent to which schools could limit choice enrollment by denying admission to students on any subjective or objective basis would also be addressed in this section.

16 V.S.A. §1129. Superintendents and truant officers are given the same truancy jurisdiction over, and responsibility for, nonresident pupils enrolled in their schools as they have for resident students. Although this section would probably not require change under an interdistrict choice program, it should be reviewed as part of the statutory revision process.

Discipline Statutes

16 V.S.A. §1161a and §1162. These sections cover the local policy requirements for student discipline and suspension or expulsion. The status of students who are being disciplined, either by their resident schools or by their choice schools, and who wish to exercise the option of enrolling in another school should be addressed in these sections.

Transportation Statutes

16 V.S.A. §1221 and §1222. These statutes require school board policies on student transportation. Currently, the provision of transportation for resident students is not required.

If a choice system were to include requirements for student transportation, these sections would require revision.

Technical Education Statutes

16 V.S.A. §1541. The policies required of school boards governing technical centers would require reconsideration if a choice program is to include technical centers. For example, subsection (c) (5) of this section allows governing boards to “establish admission and program completion policies.” This section would need amendment to insure that choice students were accommodated in those policies.

16 V.S.A. §1541a. The extent to which enrollment in technical centers would be available to choice students should be addressed in this section. Subsection (a)(3) requires a resident district to pay tuition on behalf of a student who applies and is accepted to a course of study in a technical center not within his or her service region when that course of study is not available in his or her service region. This subsection also provides specifically that resident districts are not required to provide transportation to students enrolled in a technical program outside of their service region.

16 V.S.A. §1545. A section similar to this one, or an amendment to this section, requiring that credits and grades earned by students participating in choice programs be recognized by participating schools, should be considered when a choice plan is implemented.

16 V.S.A. §1551. A new subsection (b)(3) should be added to this statute if vocational programs are included in an interdistrict choice program. The new section would clearly indicate that vocational programs are available to students in the interdistrict choice program.

16 V.S.A. §1563. This section provides assistance to school districts that furnish transportation to technical centers. Whether or not this section would apply to students enrolled through a choice program should be made clear.

Special Education Statutes

The review of state policy on special education will require consideration of whether the responsibility for providing a free and appropriate public education under federal law should be shifted from resident to receiving districts in the case of special education students who participate in a choice program. The attached State Board of Education report on interdistrict choice provides a more complete discussion of this issue.

16 V.S.A. §2901. It may be desirable to make clear the state policy on the extent to which special education students will be eligible to participate in a program of interdistrict choice. This section would be an appropriate place to clarify that policy.

16 V.S.A. §2948. Depending how the funding issues for handicapped students who participate in choice programs are resolved, this section will require attention. It provides that special education students are counted for general state aid purposes “in the same manner as children without disabilities.”

16 V.S.A. §2950. Assuming that state placed students are eligible to participate in a choice program, this section would require review. It provides that the "...school district serving the (state placed) child shall claim...allowable special education costs..." for that student. Under this section, those costs are reimbursed by the Commissioner.

This section also governs payment for residential placements. The question of which district, the district of residence or the district of choice, will be responsible for approving and paying for residential placements involving choice students should be resolved in this section.

16 V.S.A. §2961. The average daily membership of school districts is one of the factors used to determine each district's special education mainstream block grant. This section should be reviewed as the question of whether sending or receiving districts will count choice students for ADM purposes is resolved.

16 V.S.A. §2962 - §2963a. These sections, governing the distribution of extraordinary services reimbursements and special education expenditures reimbursement, will require review as the fiscal responsibilities of sending and receiving choice districts are determined.

General State Aid Statutes

Particularly if a funding system for choice students is not tuition based, the statutes governing the determination of average daily membership will need review as a choice program is planned. In a tuition based system, presumably school districts would continue to count resident students for ADM purposes, and would pay tuition for students attending school in other districts through a choice program. If receiving districts are to include choice students in their ADM counts, the following statutes would require revision:

16 V.S.A. §4001. The definitions in sections (1) (A) and (B) would be revised to include nonresident students enrolled through a choice program. Consideration must also be given to the census period used for choice enrollees.

16 V.S.A. §4011. If general state support grants follow choice students to the schools of their choice, a subsection should be added to this section.

Small School Support

16 V.S.A. §4015. This statute provides support for small schools based on enrollment levels in qualifying schools. Whether or not nonresident students who attend schools through a choice program are counted for purposes of determining eligibility small schools support should be clearly stated in this section.